

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

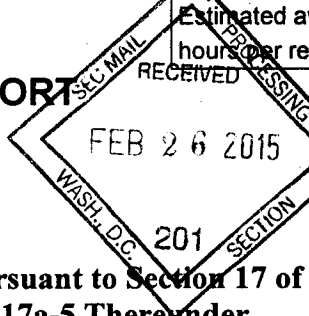
ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

OMB APPROVAL  
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8-68549



REPORT FOR THE PERIOD BEGINNING 1/01/2014 AND ENDING 12/31/2014  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: SDDCO Brokerage Advisors, LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

485 Madison Avenue – 15<sup>th</sup> Floor

(No. and Street)

New York

NY

10022

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Bryon Lyons

(212) 751-4424

(Area Code – Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Fulvio & Associates, LLP

(Name – if individual, state last, first, middle name)

5 West 37<sup>th</sup> Street – 4<sup>th</sup> Floor

New York

New York

10018

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountants  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

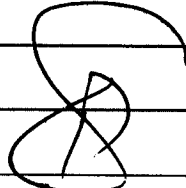
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SEC 1410 (06-02)

## OATH OR AFFIRMATION

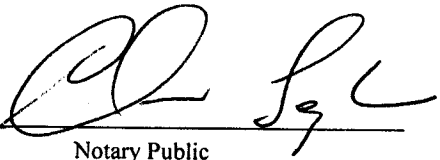
I Bryon Lyons, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SDDCO Brokerage Advisors, LLC, as of December 31, 2014, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

No Exceptions



Signature

CEO



Notary Public

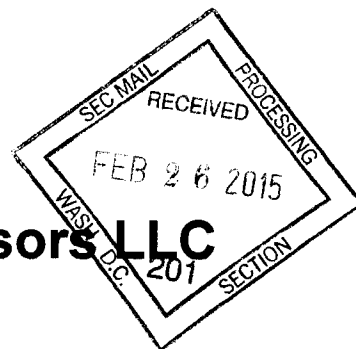
CLAUDIA TAYLOR  
NOTARY PUBLIC, State of New York  
No. 01TA5068172  
Qualified in Kings County  
Commission Expires 10/28/2018

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☐ (o) Independent Auditors' Report on Internal Accounting Control.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

**SDDCO Brokerage Advisors LLC**  
**Statement of Financial Condition**  
**As of December 31, 2014**



# **SDDCO Brokerage Advisors LLC**

## **Contents**

**December 31, 2014**

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	<b>Page(s)</b>
Independent Auditor's Report .....	1
Statement of Financial Condition .....	2
Notes to Statement of Financial Condition .....	3-6

# FULVIO & ASSOCIATES, L.L.P.

*Certified Public Accountants*

JOHN FULVIO, CPA  
SUSAN E. VAN VELSON, CPA  
KENNETH S. WERNER, CPA  
ANTHONY CHRYSIKOS, CPA

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Rowayton, CT 06853  
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FAX: 203-857-0280

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
SDDCO Brokerage Advisors LLC:

We have audited the accompanying statement of financial condition of SDDCO Brokerage Advisors LLC (the "Company") as of December 31, 2014 that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statement. This financial statement is the responsibility of the Company. Our responsibility is to express an opinion on this financial statement based on our audit.

### *Auditor's Responsibility*

We conducted our audit in accordance with auditing standards promulgated by the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether this financial statement is free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in this financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of this financial statement. We believe that our audit provides a reasonable basis for our opinion.

### *Opinion*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of SDDCO Brokerage Advisors LLC as of December 31, 2014 in conformity with accounting principles generally accepted in the United States of America.



New York, New York  
February 13, 2015

**SDDCO Brokerage Advisors LLC**  
**Statement of Financial Condition**  
**As of December 31, 2014**

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**Assets**

Cash and cash equivalents	\$ 261,379
Accounts receivable	84,072
Due from broker	24,346
Investment	18,945
Prepaid expenses	34,158
Other assets	30,620
Total assets	<u>\$ 453,520</u>

**Liabilities and Members' Equity**

Accounts payable and other accrued expenses	\$ 198,625
Total liabilities	<u>198,625</u>
Members' equity	254,895
Total liabilities and members' equity	<u>\$ 453,520</u>

The accompanying notes are an integral part of this financial statement.

**SDDCO Brokerage Advisors LLC**  
**Notes to Statement of Financial Condition**  
**December 31, 2014**

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

SDDCO Brokerage Advisors LLC (the "Company") was formed in the State of New York in December 2009. The Company registered with the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA") on November 3, 2010. The Company is authorized to conduct an online brokerage business in conjunction with its clearing agent that includes the following business lines: retailing corporate debt and equity securities, both over-the-counter and through an exchange member; mutual funds; U.S. Government securities; and the Private Placement of securities. The Company may conduct Investment Advisory Services and the distribution of Third-Party Research. The Company is also authorized to provide general advisory and compliance services to other broker dealers, investment advisors, corporate clients, and hedge funds. The Company will continue indefinitely, unless terminated sooner by Management. The Company does not carry securities accounts for customers or perform custodial functions relating to customer securities and claims exemption from SEC Rule 15c3-3 pursuant to paragraph (k)(2)(ii).

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Revenue Recognition

Revenue is recognized in the period the fees are earned.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Taxes

No provision for federal and state income taxes has been made for the Company since, as a limited liability company, the Company is not subject to income taxes. The Company's income or loss is reportable by its members on their tax returns. The Company has determined that there are no uncertain tax positions which require adjustment or disclosure on the financial statements. The tax years that remain subject to examination by taxing authorities are 2011, 2012, and 2013. The Company is subject to New York City Unincorporated Business Tax, a provision for which is reported on the statement of operations.

**SDDCO Brokerage Advisors LLC**  
**Notes to Statement of Financial Condition**  
**December 31, 2014**

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Hierarchy

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a hierarchy of fair value inputs. Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1. Quoted prices (unadjusted) in active markets for identical assets or liabilities the Company can access at the measurement date.
- Level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3. Unobservable inputs for the asset or liability.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The investment of the Company at December 31, 2014 consists of publicly traded shares categorized as Level 1.



**SDDCO Brokerage Advisors LLC**  
**Notes to Statement of Financial Condition**  
**December 31, 2014**

**NOTE 2 - NET CAPITAL REQUIREMENT**

The Company is subject to the SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the 'applicable' exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2014, the Company had net capital of \$103,149, which was \$89,907 in excess of its required net capital of \$13,242. The Company's net capital ratio was 1.93 to 1.

**NOTE 3 - RELATED PARTY TRANSACTIONS**

The Company has an agreement with S. D. Daniels & Company, P.C. ("SDDCO"), a related entity, whereby SDDCO provides certain administrative services and the use of certain office space in connection with the Company's operations. In exchange for these services and office space, the Company is billed a representative allocation of direct expenses based on square footage, human resources and other related factors. For the year ended December 31, 2014, expenses allocated to the Company by SDDCO were \$139,534 and are included in various categories of the accompanying statement of operations. At December 31, 2014, the Company had a balance of \$ 39,567 due to SDDCO included in accounts payable and other accrued expenses on the statement of financial condition.

**NOTE 4 - SIGNIFICANT GROUP CONCENTRATION OF RISK**

The Company's policy is to continuously monitor its exposure to market and counterparty risk through the use of a variety of financial, position and credit exposure reporting and control procedures. In addition, the Company has a policy of reviewing the credit standing of each broker-dealer, clearing organization, customer and/or other counterparty with which it conducts business.

**NOTE 5 - GUARANTEES**

FASB ASC 460, *Guarantees*, requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying value (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability or equity security of a guaranteed party. This guidance also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement, as well as indirect guarantees of the indebtedness of others.

The Company has issued no guarantees effective at December 31, 2014 or during the year then ended.

**SDDCO Brokerage Advisors LLC**  
**Notes to Statement of Financial Condition**  
**December 31, 2014**

**NOTE 6 - COMMITMENTS AND CONTINGENT LIABILITIES**

The Company had no lease or equipment rental commitments, no underwriting commitments, no contingent liabilities and had not been named as defendant in any lawsuit at December 31, 2014 or during the year then ended.

**NOTE 7 - BENEFITS**

The Company participates in a 401(k) profit sharing plan covering substantially all of its employees. The plan includes employee contributions and discretionary employer contributions. The Company is not required to make contributions; however, if the Company makes a contribution, it must at a minimum equal at least 3% of each participant's compensation, as defined under the plan. The Company contributed \$7,574 to the plan for the year ended December 31, 2014 which is reported on the 401(k) employer contributions line on the statement of operations.

**NOTE 8 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated and no events have been identified which require disclosure.